

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 19, 2011

Mr. Jim Kiefer  
Director Project Development  
Central Valley Gas Storage, LLC  
3333 Warrenton Road, Suite 130  
Lisle, Illinois 60532

**Subject: Central Valley Natural Gas Storage Project - (Application No. 09.08.008) – Variance Request #10**

Dear Mr. Kiefer:

On September 7, 2011, Central Valley Natural Gas Storage (CVGS) requested a variance from the California Public Utilities Commission (CPUC) for two extensions of the temporary work area adjacent the PG&E Line 400/401 interconnection pipeline, immediately south and west of the Metering Station Site. The two additional work areas are to accommodate fire suppression and soil stockpiling activities.

The CPUC voted on October 14, 2010 to approve the CVGS Project (Decision D10-10-001) and a Notice of Determination was submitted to the State Clearinghouse (SCH# 2010042067).

The CPUC also adopted a Mitigation, Monitoring, Compliance and Reporting Program (MMCRP) to ensure compliance with all mitigation measures imposed on the CVGS Project during implementation. The MMCRP also acknowledges that additional or revisions to temporary work spaces are anticipated and that a Variance Request would be required for these activities. This letter documents the CPUC's thorough evaluation of all activities covered in this variance, and that no new impacts or increase in impact severity would result from the requested variance activities.

Variance #10 for additional work spaces at the PG&E Line 400/401 interconnection located south and west of Metering Station Site is granted by CPUC for the proposed activities based on the factors described below.

**CVGS Variance Request.** Excerpts from the CVGS Variance Request, received September 7, 2011 are presented below (indented):

CVGS is requesting additional work space to accommodate fire suppression activities and to stockpile soil material. Prior to installation of the interconnection, the area would be graded and all herbaceous vegetation removed to minimize the potential for a grass fire.

The additional work area along the PG&E Line 400/401 interconnection occurs in an area that was previously planted with wheat and is now predominantly non-native annual grassland.

### **CPUC Evaluation of Variance Request.**

In accordance with the MMCRP, the subject variance request was reviewed by CPUC to confirm that no new impacts or increase in impact severity would result from the requested variance activities. This review also included a visit to the subject site on September 12<sup>th</sup> by the CPUC Lead Environmental Monitor (EM).

The following discussion summarizes this analysis for agricultural, biological, cultural, paleontological, hydrological resources, sensitive land uses/noise and other issue areas. A list of bulleted conditions is presented to define additional information and clarifications regarding mitigation requirements.

**Agricultural Resources** – The temporary work spaces are not located in areas designated either Prime or Unique Farmland. No impacts to agricultural resources are anticipated.

**Biological Resources** – The temporary work spaces would result in temporary impacts to approximately 0.9 acre of non-native annual grassland. Non-native annual grasslands in and of themselves are not considered a sensitive natural community by CDFG, USFWS, local/regional agencies, or by any resource plan or policy. Therefore, no significant impacts on sensitive natural communities would occur as a result of the temporary work spaces.

According to biological reports and surveys completed for the proposed work spaces, the work area supports suitable ground nesting habitat for western burrowing owls. During a recent biological survey on September 7, 2011, no western burrowing owls or signs of this species (which is known to occur in the area) or other sensitive biological resources were observed. To avoid potential impacts to burrowing owls, CVGS and its contractors will implement the protective measures noted below in the conditions section. No new impacts or increase in impact severity for biological resources are anticipated with the implementation of the conditions.

**Cultural & Paleontological Resources** – The temporary work spaces will not require any excavations below grade. There are no paleontological concerns for the temporary work space as there will be no below grade disturbance. No impacts to cultural or paleontological resources are anticipated.

**Hydrological Resources** – Best Management Practices (BMPs) will be installed in accordance with Amendment 3 (September 7, 2011) of the SWPPP Storm Water Pollution Prevention Plan (SWPPP). Measures identified in the SWPPP include installation of silt fence along the perimeter of the temporary work space and establishment of a diversion dike to route run-on flows around the storage area. The SWPPP also identifies that hydroseeding, hydraulic mulch and soil binders will be utilized following construction activities to ensure soils are stabilized post-construction. No new impacts or increase in impact severity for hydrological resources are anticipated with the implementation of the SWPPP conditions.

**Sensitive Land Uses/Noise.** The area is rural in nature and supports large-scale agriculture and existing energy infrastructure including the PG&E Colussa Generating Station, PG&E Delevan Compressor Station and Wild Goose Metering Station. No concerns noted under this variance.

**Other Issue Areas.** No concerns noted under this variance.

**Conditions of Variance Approval.**

The conditions presented below shall be met by CVGS and its contractors:

1. All applicable project mitigation measures, APM's, and permit conditions shall be implemented. Some measures have on-going/time-sensitive requirements and shall be implemented prior to and during construction where applicable.
2. Copies of all relevant permits, compliance plans, and this Variance approval shall be available on site for the duration of construction activities.
3. BMPs shall be installed in accordance with Amendment 3 (September 7, 2011) of the SWPPP.
4. All project personnel (including PG&E employees working on CVGS project components), shall be provided an environmental briefing focused on resources in the area, erosion control requirements, and the limits of the work area. A log shall be maintained on-site with the names of all crew personnel trained. All participants will receive a hard-hat sticker for ease of compliance verification.
5. In compliance with APM BIO-7, pre-construction surveys by a qualified biologist for burrowing owls shall occur within 250 feet of active construction areas. If burrowing owls are detected, follow protocols in APM BIO-7.
6. All complaints received by CVGS in regard to the temporary work space area shall be logged and reported immediately to the CPUC. This includes complaints relevant to noise, etc. Complaints shall also be forwarded immediately to Colusa County. If complaints cannot be resolved, activities at the site may need to be modified, depending on the nature of the complaint.

Please contact me if you have any questions.

Sincerely,



Eric Chiang  
CPUC Environmental Project Manager  
Central Valley Gas Storage Project

cc: D. Hochart and S. Eckardt, Dudek  
S. Bushnell-Bergfalk, ICF  
J. Kiefer, Central Valley Gas Storage, LLC  
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